



## Irish Life Weekly Investment Bulletin

The week that was – WEEK 38 (ending 16/09/2016)

**“Whatever you can do, or dream you can, begin it. Boldness has genius, power and magic in it.” – Johann Wolfgang von Goethe**

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**Irish economy resumes growth path in 2<sup>nd</sup> quarter 2016** – New figures from the Central Statistics Office (CSO) show that Ireland's economy grew by 0.6% between April and June following a fall of 2.1% recorded in the 1<sup>st</sup> quarter. Over the past twelve months, Irish GDP and GNP grew by 4.1% and 4.6% respectively.

**No rate cut by Bank of England as Brexit effect less severe than expected** – The Bank of England's Monetary Policy Committee held rates steady at their record low of 0.25% as economic data has been somewhat stronger than expected, but indicated it could cut again before the end of the year if required.

**U.S. household incomes show largest ever yearly rise** – The Census Bureau reported that median household incomes rose 5.2% in 2015, the largest annual rise showing since record-keeping began in 1967. The increase was the first in seven years but remains 1.6% below the 2007 level before the recession.

**Global stock market down 0.6% on the week** – The World stock market (MSCI AC World) was 0.63% lower from 9<sup>th</sup> to 16<sup>th</sup> September as markets continued to focus on central bank policy. Volatility moved higher, with the Chicago Board Options Exchange Volatility Index (VIX) rising to 17 from 14.72 during the week.

**IEA predicts oil markets will remain in surplus longer** – The International Energy Agency forecast that the surplus in the global oil market will last into late 2017, longer than previously expected as demand growth slumps and supply proves resilient. Last month it had predicted the market would return to balance in 2016.

**China shows solid sales and production growth** – Latest data released show China's economy is showing signs of modest improvement. In August, retail sales rose 10.6% while industrial output advanced 6.3%. This recent stabilization reduces the odds of further near-term monetary stimulus by the People's Bank of China.

**The Story of the week:** A pharmac worker fought off a masked, baseball bat-wielding robber - with a vacuum cleaner. Raffique Chaudhery "acted on instinct" when he waved the neck of the Henry cleaner towards the armed robber, his manager said. He was in the Day and Night Pharmacy, in Osmaston Road, Derby with his colleagues Gaffer Ahmed and Zhenno Yusuf, when the man burst in, his face concealed by a balaclava. Mr Chaudhery fought him off before the offender left empty-handed who then cycled away from the scene on a child-sized BMX bicycle.

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# Index Performances and Market Data\*

<b>Equity Markets % (in Local Currency)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016 YTD (to 16/09)</b>
ISEQ Overall Return	2.6	20.5	35.8	16.8	33.6	-8.9
FTSE 100 TR	-2.2	10.0	18.7	0.7	-1.3	11.0
Euro Stoxx 50 TR	-14.1	18.1	21.5	4.0	6.4	-7.8
S&P 500 TR	2.1	16.0	32.4	13.7	1.4	6.7
Nasdaq Composite	-1.8	15.9	38.3	13.4	5.7	4.7
Nikkei 225	-17.3	22.9	56.7	7.1	9.1	-13.2
MSCI Emerging Markets	-14.9	13.9	0.9	2.6	-8.0	8.1
MSCI AC World	-8.5	13.2	22.9	7.2	-0.7	1.5
<b>Sovereign 10yr Bond Yields (%)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016 YTD</b>
U.S.	1.9	1.7	3.0	2.2	2.2	1.7
German	1.8	1.4	1.9	0.5	0.6	0.0
UK	2.0	1.9	3.0	1.9	1.9	0.9
Japan	1.0	0.7	0.7	0.3	0.2	0.0
Ireland	8.4	4.5	3.4	1.3	1.1	0.5
Italy	7.1	4.6	4.1	2.1	1.6	1.3
Greece	31.7	12.7	8.2	9.6	7.9	8.5
Portugal	13.4	6.9	6.1	2.7	2.5	3.4
Spain	5.1	5.4	4.1	1.6	1.7	1.0
<b>Central Bank Rates (%)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016 YTD</b>
ECB	1	0.75	0.25	0.05	0.05	0.0
Bank of England	0.5	0.5	0.25	0.50	0.50	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.25	0.50	0.50
<b>Foreign Exchange Rates</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016 YTD</b>
Euro/Dollar (€/\$)	1.30	1.31	1.37	1.21	1.09	1.12
Euro/Sterling (€/£)	0.83	0.81	0.83	0.78	0.75	0.85
Sterling/Dollar (£/\$)	1.55	1.61	1.65	1.56	1.46	1.31
<b>IPD All Property Return (%)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Ireland	-2.4	3.1	12.7	40.1	25.0	6.3 (to end of Q2)
U.K.	8.1	2.7	10.7	17.8	13.1	2.5 (to end of Q2)
U.S.	14.5	5.3	11.4	11.2	12.1	4.1 (to end of Q2)

\*Past performance is not a reliable guide to future performance